



ASX Announcement

21 October 2019

Media Announcement: SEEK updates pricing and contract structure in Australian market

In line with SEEK's previously communicated long-term growth strategy, today SEEK announced changes to its 'subscription' contracts and associated pricing for Australian customers.

These changes were factored into SEEK's FY20 guidance as provided on 20 August 2019.

Refer attached Media Release for further detail.

Media Enquiries

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MEDIA RELEASE

Monday 21 October 2019, Melbourne

SEEK UPDATES PRICING AND CONTRACT STRUCTURE IN AUSTRALIAN MARKET

Today SEEK Limited (“**SEEK**”) announces pricing and contract changes to improve flexibility and efficiency for all hirers and create a more efficient and equitable marketplace.

Key Changes

The following changes will be rolled out to Australian customers on ‘subscription’ contracts due for renewal from 1 December 2019.

1. *Variable pricing of classic job ads:* The price of an ad will be driven by several factors, including candidate availability and the location of the role advertised. Variable pricing will result in the price of some ads going down and others going up from time to time, as candidate availability changes and the labour market evolves.
2. *Transition to new SEEK Contract:* SEEK will replace existing subscription contracts at renewal with a new, more flexible contract under which committed annual job ad spend can be used for all job ad types (Classic, StandOut, Premium) and at any time during the 12 month contract.
3. *Transition to standardised discounts based on committed annual job ad spend.* Over a two year period SEEK will transition to a discount model based solely on committed annual job ad spend for all customers. There will no longer be specific additional discounts for different customer types. Recruitment agencies will likely be most impacted by this change due to their historically high discount rate.

In time, customers on other contract types will also transition to the new SEEK contract, variable pricing and discounts based on committed annual job ad spend announced today.

Rationale for changes

These changes are part of SEEK’s continuing efforts to provide a more efficient and equitable marketplace.

- One price for all job ads does not account for differences in the value between job ads, due to factors including role type, location and candidate availability. Variable pricing aligns the job ad price to these factors and the value that SEEK delivers, enabling SEEK to become accessible to more hirers.
- SEEK’s contract structure has not evolved to match how hirers use SEEK’s product set. The new contract structure is more flexible, enabling hirers to allocate their investment across any job ad type at any time during their contract to generate their highest return on investment.
- Applying different discounts for different customer types is not equitable as all customers utilise the same products and services to achieve similar objectives. A standardised discount structure based only on committed annual job ad spend is equitable for all hirers.

Creating a more efficient and equitable marketplace

Commenting on the changes, SEEK CEO and Co-Founder Andrew Bassat said,

“The market has evolved significantly over the past 22 years. We have been rapidly innovating to create the most effective and efficient marketplace and to ensure the best possible outcomes for both candidates and hirers, including a strong ROI for hirers. SEEK’s current pricing and contracts also need to evolve as certain aspects are leading to inequitable outcomes and marketplace inefficiencies for candidates and hirers. Our new pricing and contract structure looks to address these issues.”

“One part of making our marketplace more equitable is to reflect the reality that not all ads are of the same value. It is also not equitable to vary pricing by customer type and this will be phased out as we transition to a standardised pricing structure.”

“We understand that recruitment firms are likely to be most impacted by our decision to standardise discount rates. We carefully considered the impact when making our decision given our strong partnership with the recruitment industry. But we concluded that the changes are necessary to make the market more equitable and efficient and is therefore the right thing to do. We will work closely with recruiters to help them understand the impact of the changes on their individual businesses, plan effectively and ensure that they continue to have a strong return from their investment with SEEK.”

“In addition to today’s changes, expect SEEK to innovate at an even higher level to support the aspirations of our candidates and hirers. These changes and our focus on innovation will make our marketplace more flexible and equitable for hirers and contribute to an improved candidate experience. Overall, we are increasing our effectiveness as a marketplace to ensure the best outcomes for both candidates and hirers” concluded Mr Bassat.

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About SEEK (ASX:SEK)

SEEK is a diverse group of companies, comprised of a strong portfolio of online employment, educational, commercial and volunteer businesses. SEEK has a presence across 18 countries with exposure to over 2.9 billion people and approximately 26 per cent of GDP. SEEK makes a positive contribution to people’s lives on a global scale. SEEK is listed on the Australian Securities Exchange, where it is a top 100 company with a market capitalisation close to A\$7 billion and has been listed in the Top 20 Most Innovative Companies Globally by Forbes, and Number One in Australia.